



# Power your AI transformation with Microsoft Copilot Studio

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# Executive summary

This white paper provides a comprehensive overview of the capabilities and benefits of Microsoft Copilot Studio. It describes how Copilot Studio, a low-code tool, enables users to build standalone copilots by combining generative AI, large language models, and a rules-based engine. It also presents a variety of potential use cases that CIOs can implement to meet their unique business needs and service employees and customers alike. Readers will come away with a better understanding of the process for building custom copilots and how these next-gen virtual assistants can transform the workplace.

# Introduction

In today's fast-paced digital landscape, CIOs are at the forefront of driving innovation and integrating AI to revolutionize the workspace. Microsoft Copilot Studio empowers organizations to harness the power of AI and meet their unique enterprise needs by building custom conversational experiences for employees and customers alike.

With a low-code end-to-end conversational platform, organizations can create copilots dedicated to specific functions, helping users retrieve knowledge and automate tasks through intuitive conversation. It's a game-changing tool that aligns with the vision of forward-thinking CIOs leading their organizations into the future of work.

By 2025, **80% of enterprise applications** — such as productivity software, instant messaging platforms and business intelligence (BI) applications — will **embed a virtual conversational assistant** to fulfill content fetching and content generation tasks. <sup>1</sup>

By 2025, GenAI will be embedded in **80% of conversational AI offerings**, up from 20% in 2023. <sup>1</sup>

## The opportunity for conversational AI

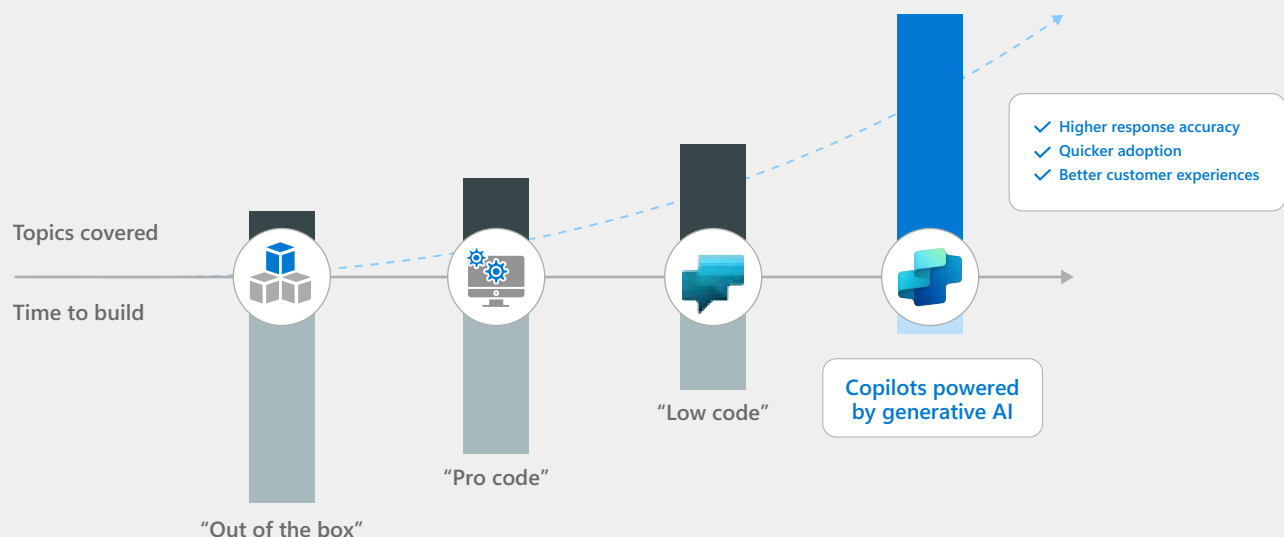
By 2026, conversational artificial intelligence (AI) deployments within contact centers will **reduce agent labor costs by \$80 billion**. <sup>2</sup>

# What is a copilot?

At its core, a copilot serves as an AI virtual assistant capable of comprehending and executing a wide array of business tasks and inquiries with human-like intelligence and efficiency. Unlike traditional chatbots, which often have limited capabilities and require a high level of technical skill and custom coding to develop, copilots leverage generative AI to reduce development time and increase their functionality across a diverse range of business contexts and user needs, offering unparalleled versatility and agility.

In practical terms, a copilot acts as a digital counterpart to human operators. From handling customer inquiries to executing complex business processes and more, copilots serve as invaluable assets across various organizational functions. The key lies in their generative content and summarization capabilities which are powered by advanced machine learning algorithms and natural language processing techniques.

By harnessing the power of AI-driven copilots, organizations can unlock new levels of efficiency, agility, and intelligence, driving greater business value and competitive advantage in an increasingly complex and fast-paced business landscape.



# Unlock real business value

Copilots are poised to redefine the conversational AI landscape by combining technical sophistication with contextual acumen, enabling people to have meaningful conversations with applications and data—in their own language. And custom-built copilots offer organizations a multitude of benefits that can transform operations and drive digital transformation.



## Lower overhead costs

By automating customer interactions, copilots reduce the need for human resources, resulting in lower overhead costs and operational expenses.



## Accelerate innovation

Once routine tasks have been automated, employees have more time to focus on strategic projects, innovation, and high-value responsibilities.



## Reduce human error

By reducing or eliminating the need for employees to complete manual processes, copilots can help to ensure consistency and accuracy for important organization functions like responding to customer inquiries.



## Improve customer experiences

Customers can access personalized interactions and answers whenever and wherever, leading to higher levels of satisfaction and engagement and increased brand loyalty.



## Enhance employee productivity

Copilots can handle routine and repetitive tasks so employees don't have to, leading to an overall increase in staff productivity.

"We are using Microsoft Copilot Studio to build a copilot for HP's customer-facing website to engage customers at scale and educate them on the right products for their needs, and more. Copilot Studio enables real-time responses to customer queries using Generative AI. The better we communicate about our products, the more trust and business opportunities we can create."



Mohamed Zohny  
Global Head of Social Media & Digital Innovations at HP

## Example solutions

### Business to Employees

#### Copilot for IT Service Management

"Check the progress of my current IT ticket"

"Initiate a request for device upgrades"

#### Copilot for Human Resources

"Start the onboarding sequence for our new team member"

"Show me the remaining training budget for this quarter"

#### Copilot for Frontline Workers

"How do I find the manual for Contoso Blender?"

"How do I fix the printing machine model XB100?"

### Business to Customers

#### Copilot for Customer Support

"Help me with account recovery"

"Check status of open ticket"

#### Copilot for Product Consultation

"Recommend the best laptop for travel-intensive users"

"Compare the latest smartphone models for photography enthusiasts."

#### Copilot for Service Booking

"Check availability for in-store consultations next Thursday"

"Change my appointment time"

### Business to Businesses

#### Copilot for Project Management

"Give me a summary of completed tasks for Project X's second phase"

"List the pending deliverables for phase two."

#### Copilot for Supplier Management

"Show the fulfillment status of purchase order #452"

"Track the shipment of our recent bulk order."

#### Copilot for Sales Enablement

"Generate a quote for a large-scale supply of office essentials"

"Connect me with a sales representative"

# What is Copilot Studio?

Microsoft Copilot Studio, a low-code tool to build standalone copilots, brings together a set of powerful conversational capabilities. The end-to-end development platform combines generative AI, large language models and a rules-based engine to transform the way copilots are designed, enhanced, and managed. Users of all skill levels can create automated, connected copilots with ease and publish them to any channel with a few clicks.

**Design** - Use the expansive conversational design tools and graphical interface to create intricate conversations with robust variable management, logic, and dynamic rich responses.

**Connectivity** - Thousands of pre-built data connectors make it easy to point your copilots to multiple first-and third-party data sources, customize them for different applications, and extend capabilities from basic knowledge-based responses to complex task automation.

**Multi-channel** - Copilots can be built once then shared across multiple channels and services.

**Telemetry** - Admins can leverage integrated analytics and AI self-learning features to streamline maintenance and continuously improve performance.

**Control** - Unified controls on a global SaaS platform means copilot management and governance is centralized, secure, and reliable, reducing IT bottlenecks and eliminating underlying infrastructure concerns.

**Responsible** - All generative AI features are aligned to Microsoft's responsible AI principles and meet the highest standards of data privacy and security, so you can deploy copilots at scale with confidence.





# Building your own custom copilot

Creating actionable, connected, intelligent and knowledgeable copilots doesn't need to be complicated. With Microsoft Copilot Studio, it's as simple as three steps **1) design, 2) enhance** and **3) manage**.

**1**

## Design

Design powerful custom copilots

### Build the way you want

Users of all skill levels can create automated, connected conversational AI experiences in a comprehensive platform.

- **Natural language:** Begin chatting to your copilot to configure its purpose, knowledge and tone. Continue to design and modify topics throughout the process with natural language.
- **Low code:** Effortlessly build and test copilots with an intuitive graphical interface and speed up development time.
- **Pro code:** View and edit the YAML code behind your topics, which facilitates sharing and re-using of topic logic between developers and copilots.

### Get the benefits of built-in generative AI

With the generative answers feature, your copilot can dynamically generate multi-turn answers based off your organization's content in real-time – making it immediately useful for your employees and/or customers. And with the generative actions feature, your copilot can generate dialog and take action by dynamically chaining existing building blocks and plugins.

## Benefits

- Accelerate development
- Reduce time to value
- Collaborate at scale
- Maximize investments
- Do more with less
- Reduce risk
- Centralize control
- Scale securely

### Design your building blocks

Build custom plugins, GPTs, and prompts, and surface your business data where you need it.

- **Data connectors:** Copilot Studio provides access to more than 1,200+ data sources out of the box, including systems like SAP, ServiceNow, Workday, and Salesforce. The platform also offers seamless hybrid connectivity.
- **GPTs:** Generative Pre-trained Transformers (GPTs) are custom versions of GPT models that can be tailored to specific areas, tasks or personas using specific instructions, knowledge and any combination of skills.
- **Plugins:** Plugins are used to call services, perform actions, and provide answers. There are several different types available for use with your copilot, including premade plugins and custom designed plugins to meet your unique business needs.
- **Prompts:** Generative AI prompts can be embedded within your copilot in Microsoft Copilot Studio and other products via plugins, Power Apps & Dataverse (via Power FX), Power Automate (via AI Builder connector). Prompts are stored in Copilot Studio's prompt library.
- **Workflows:** Build time-saving workflows into your conversations from individual tasks to large-scale systems and put intelligent workflows to work with built-in AI capabilities.

### Handle complex queries with ease

Copilot Studio stands apart from other conversational AI platforms in that it allows for end-to-end conversational orchestration. You can design intelligent conversations with greater control over the LLM such as robust variable and dialog management, logic, and responses.

- **Data and variable manipulation:** Seamlessly store, transform, reuse, and work with the data collected by the copilot during conversations. Manipulate and manage data to enhance functionality and end user experiences.
- **Advanced responses:** Add more nuanced responses to copilot responses or actions by introducing triggers based on events that occur outside of the copilot, enabling copilots can stay within context when a user asks for additional help or more details.

By 2024, most organizations will leverage codeless development tools for a least **30% of their AI and automation initiatives**, helping to scale digital transformation (DX) and democratize AI. <sup>3</sup>

### Connect copilots in a low code platform

Seamlessly integrate across Power Platform, Dataverse and more.



#### Power Apps

Effortlessly publish a copilot within your Power App for conversational assistance.



#### Power Automate

Automate across and within your business systems with Robotic Processes Automation (RPA), Digital Process Automation (DPA), and API capabilities.



#### Power Pages

Embed a copilot on your no-code responsive sites with generative AI assistance over your data.



#### Power BI

View custom analytics for your copilot that cater to your specific needs.



#### Dataverse

Query your low code and business application projects.



#### AI Builder

Build, train and publish AI models without a single line of code.



## 2

## Enhance

Enhance with advanced capabilities.

### Extend LoB applications

Create a modern and conversational UI over your LoB applications extending their capabilities and reach. Organizations can automate processes that span their key systems without the need for complex code using digital and robotic process automation. You can then surface these powerful experiences in the productivity tools your employees use every day, like Teams or SharePoint. Ex: Build, surface and enrich SAP processes with a chat experience.

### Pro developer extensibility

Use Azure OpenAI to create generative conversations and copilots or build your own custom experience.

- **AI Search:** Azure OpenAI's models enable you to build powerful conversational experiences over your data with Copilot Studio.
- **Analytics:** Build custom analytics by moving your data into extended data pipelines.
- **API calls:** Copilot Studio supports any API / HTTP calls to Azure services.
- **Language services:** Connect Conversational Language Understanding, including dialog triggering, interruptions, did-you-mean, and slot filling.
- **Application Lifecycle Management:** Works with Azure Devops for full ALM and solution management.
- **Telemetry:** Use Azure app insights for custom telemetry on copilot usage.
- **Knowledge base:** Bring Azure Custom Question Answering into your copilot.
- **Bot Framework:** Access Bot Framework Composer capabilities natively in Copilot Studio, call Bot Framework skills from existing, and update and extend bots.



### Enable your frontline workforce

Equip your frontline workers with tools to accelerate productivity in a single chat experience. You can build a copilot designed around your specific frontline processes so employees can ask questions, access business details faster, increase task execution visibility, and more.



## Manage

Manage securely across channels.

### Publish where you want

Publish dedicated copilots tailored for your employees or customers on the channel or language that works for them.

- 20+ supported languages
- 22+ supported channels including websites, mobile apps, Teams, Facebook and more



Microsoft Teams



Facebook



Whatsapp (through Twilio)



Your website



Google's Business Messages



Slack



Apple Messages for Business



### Escalate to agents

Continue the conversation with full context with an end-to-end customer engagement platform. You can orchestrate your copilot to handoff the conversation to first and third party contact centers like Dynamics 365 Customer Service, Genesys, Salesforce and more.

### Get the benefits of geo-distributed, multi-tenant SaaS

Scale up or down without worrying about maintenance, support, or platform upgrades, because there is no infrastructure to manage. And because it's built on the Azure bot framework, Microsoft Copilot Studio benefits from SLAs, 23 data centers, GDPR, privacy, and more.

### Monitor with the Center of Excellence

The Microsoft Power Platform Starter Kit is a collection of components and tools that are designed to help you maintain Microsoft Copilot Studio standards, consistency, and governance.

### Streamline management with a Unified Admin Center

Centralize management and governance with data loss prevention policies, role-based access control, and environment management through the Power Platform admin center.

### Easily identify and improve

Automatically track critical KPIs, assist in performance review and future copilot topic identification, or integrate custom analytics with Power BI. Capture additional telemetry about your bot with Application Insights and apply learning across related copilots.

### Maintain compliance and trust

Copilot Studio supports many compliance offerings like HIPAA, HITRUST, FedRAMP, PCI, SOC, ISO & more.

### Implement personalization and authentication

Copilot Studio offers native integration with Azure Active Directory (AAD), or any OAuth2 identity provider, such as a Microsoft account, or Facebook. Also, you can reuse information from Microsoft Graph and Azure Active Directory (Azure AD) throughout a conversation to enhance and personalize future conversations.

### Responsible AI

Generative AI features are designed and aligned to Microsoft's responsible AI principles including fairness, reliability and safety, privacy and security, inclusiveness, transparency, and accountability. Your data is never used to train or enrich foundational AI models – data and AI models are protected at every step.

“With Microsoft Copilot Studio, we were able to deploy our first customer facing copilot in less than two weeks. Brokerages today need to simplify what has historically been a complex space while building on customer trust. This starts with providing relevant content in the right channel for the clients, which are potential points of churn in any digital experience. The quality of answers provided by the virtual agent as well as the timeliness of the service in both French and English has significantly improved. By leveraging the Generative AI and multimedia capabilities of the platform in our customer Journey, we expect to have more value added interactions with our customers.”



Claude-Frederic Robert  
President at National Bank of Canada Direct Brokerage

# A step-by-step approach to building copilots

## Step 1 Create your copilot

First, lay the foundations of your copilot in Copilot Studio in just a matter of minutes. Because Copilot Studio is a software-as-a-service (SaaS) solution, there's no need to set up complex infrastructure. Begin by defining the personality and capabilities of your copilot, ensuring it aligns with your company's ethos and customer engagement strategy.

→ [Learn more about getting started here](#)

### Tip / Have a plan for your copilot

Before you start designing, it's important to understand which type of conversations your copilot will be having, who it will be having these conversations with, and on which channels these conversations will take place.

## Step 2 Connect your knowledge base

Before building out manual topics, you can give your copilot a running start by leveraging a capability called 'generative answers' to immediately equip your copilot with knowledge from your existing resources. Just connect your current organizational resources like FAQs, and watch how your copilot can instantly generate dynamic, informed responses for your users with that real-time information.

→ [Learn more about generative answers here](#)

## Step 3 Integrate your data and workflows

Next, empower your copilot to interact with your organization's legacy systems, data repositories, LoB services, and workflows using plugins, prompts, GPTs, connectors, and Power Automate flows, and more. This includes over 1,200+ out-of-the-box data connectors to common platforms like SAP or Workday.

→ [Learn more about standard data connectors here](#)

## Step 4 Create rule-based topics

After you've connected your copilot to your data sources, you can control the conversation by manually designing rule-based topics. These topics ensure that your copilot adheres to company policies and regulatory requirements while providing precise, curated content that addresses specific user inquiries or scenarios.

→ [Learn more about creating topics here](#)

## Step 5

### Customize with conversational services

Once you've created your copilot's core capabilities, pro developers can enhance its functionality with Azure AI Studio and other conversational services. These customizations allow organizations to create a more sophisticated and responsive AI assistant using custom AI models, speech recognition, Azure bot skills and more.

→ [Learn more about Azure AI Studio here](#)

## Step 6

### Publish your copilot

Finally, deploy your copilot across a variety of channels and modalities, including voice and text, so your copilot can be where your customers or employees are. Channel options include custom websites, mobile apps, SMS, and more.

→ [Learn more about supported channels here](#)

#### Tip / Never a dead-end street

To help users who are stuck or can't find the answers they're looking for, include a trigger that directs them to a different channel where live agents are available to assist.

## Step 7

### Learn and improve

Continuous improvement is key to maintaining an effective copilot. Utilize built-in telemetry to gain insights into interactions, measure performance, and identify areas for enhancement. This data-driven approach ensures that your copilot evolves with your business, always delivering optimal support.

→ [Learn more about built-in analytics here](#)

## Step 8

### Manage and secure

As you continue to iterate and improve upon your copilot, easily maintain compliance and security with streamlined management tools.

→ [Learn more about the Power Platform admin center here](#)







# Preparing for the future with conversational AI

Conversational AI represents a transformative leap in how businesses interact with technology, offering a more natural and efficient interface. For CIOs, the implementation of copilots across organizational functions is not just about keeping pace with technological trends; it's about laying the groundwork for a more agile and responsive business environment. As the workplace evolves, the integration of copilots can streamline operations, facilitate seamless communication, and provide instant access to vast amounts of data, all through simple dialogue.

Cultural shifts towards digital-first interactions makes copilot deployment a strategic imperative. Employees and customers alike are seeking faster, more intuitive ways to engage with businesses. Implementing conversational AI now prepares organizations for a future where digital assistants and AI-driven interfaces are the norm, not the exception. CIOs who embrace this technology will lead their companies into a new era of workplace efficiency, where conversational AI becomes a cornerstone of daily operations, enhancing both employee satisfaction and customer experience.

## Sources

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